

# Infineon and Finisar knuckle down

With the financial advice of Deutsche Bank Securities and Citibank for Finisar and Infineon, respectively, the companies knuckled down to a definitive agreement.

Finisar has acquired certain assets from Infineon's Fibre Optics business unit based in Berlin, Germany.

Finisar will issue 34m shares for the assets associated with the design, development and manufacture of all optical transceiver products.

This acquisition implies a valuation of nearly \$50m based on the closing price on January 21, 2005.

The transaction is approved by Finisar's Board; it does not require shareholder or

regulatory approval and closed January 31, 2005. At this point Infineon had an equity interest in Finisar of approximately 13%.

The acquisition involved the transfer of inventory, fixed assets and IP associated with the design and manufacture of fibre optic transceivers, including a broad range of 10Gb transceiver designs for XPAK, X2, XENPAK and XFP form factors.

Infineon retained ownership of its other businesses consisting of BIDI components for FTTH applications, parallel optical components (PAROLI) and plastic optical fibre (POF) components that are used in automotive applications.

Under separate supply agreements, Infineon will provide Finisar with contract manufacturing services for up to one year.

"This acquisition considerably broadens our customer and product portfolio, particularly our 10Gig product platforms," said Jerry Rawls, Finisar's president and CEO. "We stand ready to fully support Infineon's current customer base and look forward to making this an easy transition for them."

Dr. Ziebart, president and CEO, Infineon Technologies AG said "The transaction supports the ongoing consolidation of the fibre optic market, and is the first major step towards the restructuring of our fibre optic

group, in order to return to profitability.

"The POF operations complements our automotive strategy and will be integrated into our Automotive & Industrial Multi Market business group."

In the fiscal quarter ended December 31, 2004, Infineon's Fibre Optics business unit recorded revenues of nearly \$12m from the sale of optical transceiver products.

Finisar expects the acquisition to have a positive impact on its financial results prior to the amortisation of any purchased developed technology.

Infineon and Finisar have agreed to release each other from any prior claims and payments between them.

## Korea becomes the buying grounds

Two companies, Photronics and Agilent Technologies, have found Korean companies an attractive fit for acquisition. Photomask manufacturer, Photronics Inc, has acquired an additional 6.5% interest in the Korean photomask company PKL Co Ltd.

The company now owns some 87% of PKL Photronics, having acquired the additional equity by paying \$18m in cash to existing PKL shareholders.

Meantime, Agilent Technologies Inc is to acquire South Korean based Wavics, a designer and manufacturer of power amplifier modules for mobile handsets.

Privately held Wavics, founded in 2000, and now with 55 staff, operates in Seoul and Ansan. Acquisition of Wavics patented technology strengthens Agilent's position in PAs and front-end modules, enabling

smaller handsets, more features and extended talk time.

Wavics' CoolPAM PA reduces battery power consumption, allowing CDMA and W-CDMA handsets to enjoy a cooler run.

Agilent is to combine this PA with its miniature FBAR filters, creating high-performance CDMA and W-CDMA front-end modules that offer a significant space reduction.

## Sez record sales

The SEZ Group expects record-level net sales for its FYyear 2004. Preliminary net sales results of CHF303m surpassed 2003 net sales by more than 78% (2003: CHF170.1m). Significantly outperforming the overall market semiconductor manufacturing equipment growth, SEZ Group expanded its share in the wet chemical wafer cleaning market.

## Mikron's IR growth measures the heat

"Recently, several corporate executives and outside directors have sold a portion of their Mikron Infrared Inc holdings as stock rose to new highs," says Mikron CEO Gerry Posner. "The stock sales ... were made to take advantage of recent opportunities to diversify holdings. These sales do not reflect any individual or collective judgment about the company's prospects. Mikron's revenues have grown over the last five years at a CAGR of approximately 30%.

"This has been achieved from a combination of acquisitions and organic growth. During the last five years, Mikron has significantly strengthened its product portfolio ... and improved its international distribution channels. We continue to remain confident in Mikron's future ... Insider holdings still remain significant at approximately 19% (not including in-the-money

options to purchase some 4% more)."

Mikron's latest product is the MI-200 Series low cost, high performance IR temperature sensor. This is a 2-wire, compact self-contained temperature sensor with high-resolution optics and 4-20mA linear output.

It operates in ambient temperature up to 70°C and is ideal for temperature measurement of paper, ceramics, painted or dull oxidised metal surfaces, powders, thick plastics, rubber, textile, vinyl, liquids, etc.

Two other models in the series the MI-S200 and MI-G 200 are designed to measure medium to high temperatures.

Some applications for these are metal surfaces, semiconductor wafers, graphite, ceramics, composites, etc. with temperatures from 300°C to 2500°C.